IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

Cr.Revision No.525 of 2026
Date of Decision: 03.11.2026

Jaswant Singh ...Petitioner

Versus

Paramjeet Verma . ..Respondent

Coram
Hon'ble Mr Justice Chirag Bhanu Singh, Judge.
Whether approved for reporting?[1]

For the Petitioner : Ms. Nandita, Advocate.

For the Respondent : Mr. Raditya Katoch, Advocate.

Chirag Bhanu Singh, Judge (Oral)

The petitioner has preferred the present revision assailing the judgment passed by the Additional Sessions Judge Paonta Sahib, District Sirmaur, H.P., in Criminal Appeal No. 70 of 2025, dated 10.08.2026, whereby the judgment of conviction and order of sentence dated 30.06.2025 passed by the learned Additional Chief Judicial Magistrate, Court No.1, Paonta Sahib, District Sirmaur, H.P., in Criminal Case No.343/2019, stands affirmed under Section 138 of the Negotiable Instruments Act (NI Act), whereby the petitioner stands convicted and sentenced to undergo simple imprisonment for three months and to pay

[1] Whether reporters of Local Papers may be allowed to see the judgment? Yes.

compensation of Rs.3,20,000/- (Rs. Three lacs twenty thousand Only) to the complainant.

2. At this stage, the petitioner has preferred an application under Section 147 of the Negotiable Instruments Act to compound the offence, as the lis stands compromised between the parties. The petitioner has agreed to pay an amount of Rs.3,20,000/- towards the full and final settlement of the claim. The amount of Rs.50,000/- stands already paid to the respondent/complainant, the balance amount of Rs.2,06,000/- is lying deposited before the Registry of this Court and an amount of Rs.64,000/- is lying deposited before the learned trial Court.

3. Learned counsel appearing for the respondent/complainant submits that the matter has been settled between the parties and in pursuance thereto, an amount of Rs.3,20,000/- will stand paid to the respondent/complainant, if the amount lying deposited with the Registry of this Court and the learned trial Court is ordered to be released in favour of the respondent/complainant.

4. Seemingly, the parties have now buried the hatchet once and for all.

5. Since the parties have not only settled the matter but the respondent/complainant has also received the full and final

settlement of the claim, the revision deserves to be allowed and the petitioner/accused is entitled to be acquitted. In this behalf, reliance can be placed on the judgment passed by the Hon'ble Supreme Court in the case titled as ***K.M. Ibrahim versus K.P. Mohammed and another, (2010) 1 SCC 798.***

6. It would be apposite to reproduce para-9 of the ***K.M. Ibrahim's case***, which reads as under:-

> *"9. The golden thread in all these decisions is that once a person is allowed to compound a case as provided for under Section 147 of the Negotiable Instruments Act, the conviction under Section 138 of the said Act should also be set aside. In the case of Vinay Devanna Nayak (supra), the issue was raised and after taking note of the provisions of Section 320 Cr.P.C., this Court held that since the matter had been compromised between the parties and payments had been made in full and final settlement of the dues of the Bank, the appeal deserved to be allowed and the appellant was entitled to acquittal. Consequently, the order of conviction and sentence recorded by all the courts were set aside and the appellant was acquitted of the charge leveled against him."*

7. It is thus crystal clear that, keeping in view the mandate of the aforesaid judgment and the provisions of Section 147 of the N.I. Act, there is no bar for the parties in compounding the offence under the provisions of Section 138 of the Negotiable Instruments Act, even at the stage of present proceedings.

8. Keeping in view the aforesaid circumstances, emerging on record and the matter having been compromised,

parties are allowed to compound the offence. The amount of Rs.2,06,000/- lying deposited before this Registry shall be released in favour of the respondent/complainant. In addition to this, an amount of Rs.64,000/- lying deposited before the learned trial Court shall be also released in favour of the respondent/complainant.

9. In view of the discussion, the judgments passed by the learned Courts below are quashed and set aside. The petitioner/accused is acquitted of the charges. The bail bond stands discharged. The Registry of this Court and learned trial Court are directed to release the amount lying in deposit before them to the respondent/complainant forthwith.

10. Accordingly, the petition stands disposed off in the aforesaid terms, so also pending application(s), if any.

(Chirag Bhanu Singh)
Judge

November 03, 2026
(Subhash sharma)